

# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1316.  
FILED, JUNE 3rd. 1965.

HEADWAY RED LAKE GOLD MINES LIMITED

Full corporate name of Company

Incorporated under Part IV of the Corporations Act  
(Ontario) by Letters Patent dated September 7, 1944

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

**FILING STATEMENT** Filing Statement No. 1050, and  
Amending Filing Statement No.

(To be filed with respect to any material change in a company's affairs, including among other things, 203.  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The sale by the Company of 400,000 shares of its capital stock at a price of \$60,000.00 and the granting of options with respect to an additional 600,000 shares.												
2. Head office address and any other office address.	Suite 902, 55 Yonge Street, Toronto 1, Ontario												
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	EMMETT P. McDONOUGH, B.Sc.P.Eng., 286 Bessborough Dr. Leaside - Mining Engineer GERALD S. HORGAN, Q.C., 39 Burton Road, Toronto - Barrister J. F. WILLIS, 305 Lawrence Ave. E., Toronto - Stock Broker ALBERT WAXER, 458 Russell Hill Rd., Toronto - Manager JOHN A. BAILEY, 59 Highland Crescent, Willowdale, Ontario - Executive Officers:- EMMETT P. McDONOUGH, 286 Bessborough Dr., Leaside - Pres. GERALD S. HORGAN, 39 Burton Rd., Toronto - Vice-Pres. & Secretary												
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 7,500,000 shares, \$1.00 par value Issued and Outstanding - 5,386,571 shares												
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil												
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>The Company, by an agreement dated May 28, 1965, has agreed to sell 400,000 shares of its capital stock at a price of \$60,000.00 to Thomson Kernaghan &amp; Co. Limited, the Underwriter-Optionee named therein the monies to be payable forthwith after the effective date which is to be the date on which a notice pursuant to By-law 62 of The Toronto Stock Exchange is accepted for filing. The Company has granted an option on an additional 600,000 shares as follows:</p> <table><tr><td>No. of Shs.</td><td>Price per Share</td><td>Time from effective date within which option exercisable</td></tr><tr><td>200,000</td><td>20¢</td><td>3 months</td></tr><tr><td>200,000</td><td>25¢</td><td>6 months</td></tr><tr><td>200,000</td><td>30¢</td><td>9 months</td></tr></table>	No. of Shs.	Price per Share	Time from effective date within which option exercisable	200,000	20¢	3 months	200,000	25¢	6 months	200,000	30¢	9 months
No. of Shs.	Price per Share	Time from effective date within which option exercisable											
200,000	20¢	3 months											
200,000	25¢	6 months											
200,000	30¢	9 months											



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<p>THomson Kernaghan &amp; Co. Limited, the Underwriter-Optionee, has entered into the purchase and option agreement on behalf of clients as follows:  J. F. Willis, 365 Bay Street, Toronto, and David H. Baird, 67 Yonge Street, Toronto - each - 12.5%;  L. J. Forget and Co. Ltd., 620 St. James Street West, Montreal - 25%; Mrs. Mary Ash, Box 874, Kirkland Lake, Ontario - 50%.</p> <p>The only persons having a greater than 5% interest in L. J. Forget and Co. Ltd. are Farrell J. Vincent, Hudson Heights, Quebec, and R. Bruce Jackson, Roxboro, Quebec.</p> <p>J. F. Willis is a Director of the Company.</p>
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	NIL
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>(a)  Gloucester County - New Brunswick - The Company proposes to do 4,000 feet of diamond drilling at an estimated cost of \$25,000.00 on twenty-six surveyed claims comprising 840 acres held by the Company under Mining License No. 891, located 18 miles southwest of the Town of Bathurst and being Claims numbered 5411 to 5420 inclusive, 5475 to 5480 inclusive, 11641 to 11644 inclusive, 11651 and 11656 to 11660 inclusive, as recommended by Scope Mining and Exploration Consultants Limited in a report dated May 28, 1965.</p> <p>(b)  The Company, as one of the principal shareholders of Columbiu Mining Products Limited, proposes to continue to advance money by way of loan to the said Columbiu Mining Products Limited, as required to finance continuing metallurgical research on the ore dressing method relative to that Company's material from its property at Oka, Quebec.</p> <p>(c)  The funds being raised under the underwriting and option agreement will be used on the New Brunswick claims and for the work of Columbiu Mining as aforesaid, and for no other purposes other than for general administrative expenses, without prior notice and acceptance by the Toronto Stock Exchange.</p> <p>(d)  Accounts payable in the approximate amount of \$25,000.00 have been subrogated for a minimum period of six months or until the first option has been exercised.</p>
10. Brief statement of company's chief development work during past year.	<p>(a) <u>Reaume Township</u>  Line cutting, geophysical surveys on 50 claims at a cost of \$15,355.70.</p> <p>(b) <u>Sauve Township</u>  Geophysical survey and diamond drilling at a cost of \$11,330.27.</p> <p>(c) <u>Joutel Option</u>  Diamond drilling at a cost of \$9,685.15.</p> <p>(d) <u>Irish Concessions</u>  Diamond drilling at a cost of \$4,011.67.</p> <p>(e)  The Company has retained its claims in Reaume Township and its Irish Concessions. The Company has allowed its options on the claims in Sauve and Joutel Townships to lapse.</p>
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	N/A
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	N/A
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	NIL

# FINANCIAL STATEMENTS

HEADWAY RED LAKE GOLD MINES LIMITED

## BALANCE SHEET

AS AT APRIL 30, 1965

### A S S E T S

Accounts receivable

\$ 1,317.41

Bank overdraft

\$ 1,062.92

Investment in Columbiun Mining Products Limited

\$ 50,830.06

Capital stock - at cost

405,314.75

Advances

\$ 1,317.41

### Total current assets

Shares in other mining companies - at cost

456,212.01

Less amounts written off

68,703.16

Advances to other mining companies

18,159.38

Mining properties - at cost

\$ 1,208,559.94

Red Lake claims

10,000.00

New Brunswick claims

737.65

Irish concession - 50% interest

305.00

Irish concession - 12 1/2% interest

10,000.00

Reaume Township claims

1,166.00

Sakami Lake claims - 75% interest

1,230,308.59

Deferred exploration expenditure:

Red Lake claims

\$ 76,606.97

New Brunswick claims

64,723.50

Irish concessions

4,186.67

Reaume Township claims

163,052.40

Patent processes - 50% interest - at cost

11,038.98

\$ 1,949,392.73

### L I A B I L I T I E S

### Total current liabilities

\$ 26,845.48

Capital stock:

Authorized: 7,500,000 shares of \$1.00 each

\$ 7,500,000.00

Issued and fully paid: 5,286,571 shares

\$ 5,386,571.00

Add: Premium on shares

100,000.00

\$ 5,486,571.00

Less: Discount on shares

3,389,327.80

\$ 2,097,243.20

Deficit

1,922,547.25

\$ 1,949,392.73

Approved on behalf of the Board:

..... E.P. Widdowson ..... Director

..... E.P. Widdowson ..... Director



HEADWAY RED LAKE GOLD MINES LIMITED

Suite 902, 55 Yonge Street, Toronto

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THIS IS to certify that there have been no material changes in the items on the balance sheet since the date thereof excepting expenses in the ordinary course of business.

DATED at Toronto this 31st day of May, 1965.

On behalf of the Board,

E.P. Mulhough Director  
J.S. Gange Director

HEADWAY RED LAKE GOLD MINES LIMITED

STATEMENT OF DEFICIT

FOR THE FOUR MONTHS ENDED APRIL 30, 1965

Balance, December 31, 1964		\$ 159,762.38
<u>Add: Administration and general expense</u>		
Salary	\$ 800.00	
Rent	390.57	
Legal and audit fees	25.00	
Travel	223.68	
Office supplies and expense	118.74	
Directors fees	200.00	
Government fees and taxes	171.50	
	<u>1,929.49</u>	
Engineering fees	\$ 1,000.00	
Option cost and exploration expenditure on mining claims abandoned	<u>17,337.17</u>	20,266.66
		<u>\$ 180,029.04</u>
<u>Less: Interest earned</u>		5,333.09
Balance, April 30, 1965		<u>\$ 174,695.95</u>

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE

FOR THE FOUR MONTHS ENDED APRIL 30, 1965

Red Lake claims:		
Balance, December 31, 1964		\$ 78,651.78
Acreage taxes		<u>35.19</u>
Balance, April 30, 1965		<u>\$ 78,686.97</u>
Reaume Township claims:		
Balance, December 31, 1964		\$ 15,355.70
Consulting fees and expenses		<u>99.56</u>
Balance, April 30, 1965		<u>\$ 15,455.26</u>

HEADWAY RED LAKE GOLD MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE FOUR MONTHS ENDED APRIL 30, 1965

Source:

Interest earned \$ 5,333.09

Application:

Administration expenses	\$ 1,929.49	
Exploration expenditure	134.75	
Engineering fees	1,000.00	
Advances to Columium Mining Products Limited	8,690.36	
Patent process	17.50	11,772.10

Balance, representing the decrease in working capital as set out below: \$ 6,439.01

	<u>December 31,</u> <u>1964</u>	<u>April 30,</u> <u>1965</u>	
Current assets	\$ 2,154.84	\$ 1,317.41	
Current liabilities	21,243.90	26,845.48	
Working capital	\$( 19,089.06)	\$( 25,528.07)	6,439.01

Approved on behalf of the Board:

..... *E.P. McIlroy* ..... Director  
 ..... *J.S. Hays* ..... Director

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE TWELVE MONTHS ENDED APRIL 30, 1965

Source:

Sale of 200,000 shares of capital stock	\$ 30,000.00
Interest earned	15,611.70
	\$ 45,611.70

Application:

Administration expense	\$ 11,465.36	
Prospecting salaries and expenses	339.31	
Engineering fees	3,000.00	
Option payments on mining claims	750.00	
Acquisition cost of mining claims	11,166.00	
Exploration expenditure	29,064.11	
Advances to Columium Mining Products Limited	27,126.15	
Advances to other companies	637.50	
Patent processes	919.35	84,467.78

Balance, representing the decrease in working capital asset out below: \$ 38,856.08

	<u>April 30,</u> <u>1964</u>	<u>April 30,</u> <u>1965</u>	
Current assets	\$ 21,785.05	\$ 1,317.41	
Current liabilities	8,457.04	26,845.48	
Working capital	\$ 13,328.01	\$( 25,528.07)	38,856.08

Approved on behalf of the Board:

..... *E.P. McIlroy* ..... Director  
 ..... *J.S. Hays* ..... Director



## ENGINEER'S REPORT

Note:- The following are excerpts from a report by D. W. Sullivan, B. Sc., P. Eng., dated May 28th, 1965, on mining claims located in the Parish of Bathurst, County of Gloucester, Province of New Brunswick. A complete copy of this report is on file with the Toronto Stock Exchange.

### SUMMARY & CONCLUSIONS

Headway Red Lake Gold Mines Limited owns 26 contiguous mining claims comprising an area of 840 acres in the Parish of Bathurst, County of Gloucester in New Brunswick. The property is held under Mining License No. 891.

Exploration work was carried out on the property in 1954 and 1958 and consisted of extensive stripping and trenching, geophysical surveys and diamond drilling.

Diamond drilling on the eastern half of the property by shallow holes in 1958 indicated the presence of a continuous sulphide zone carrying very important values in copper, lead, zinc and silver over a strike length of 2700 feet.

Recent increases in metal prices and the presence of treatment facilities in the immediate area warrants further development of the known sulphide zone along strike and to depth.

Should the drilling programme currently planned be successful it is highly recommended that the entire property be further explored for the location of other sulphide deposits.

### HISTORY

The property was staked in 1953. In 1954 a geophysical survey was carried out over the property followed by diamond drilling in the west part of the claim group.

Careful prospecting in 1956 resulted in the location of several pieces of high grade 'float' ore and considerable trenching was done, along with a geophysical survey in the immediate area. Stripping operations located the sulphide zone in the vicinity of the 'float' striking north and south through claims 5477, 5478 and 5418.

In 1958 eleven drill holes were drilled outlining a continuous sulphide zone 2700' long with very important values in copper, lead, zinc and silver to a vertical depth of 150'. No holes were drilled to prove the extension of the ore below 150 feet. The sulphide zone was still open on strike both north and south.

### CONCLUSIONS & RECOMMENDATIONS

The base metal sulphide zone, striking north - south for about 2700 feet through claims 5477, 5478 and 5418, carries very important values in silver, copper, lead and zinc. This zone is open both north and south along strike and has only been tested by drilling in 1958 to a vertical depth of 150 feet. This drilling was done at intervals of from 150 feet to 400 feet along strike and in only one case was there more than one hole drilled on a section.

Since very important values in silver, copper lead and zinc are present in a long persistent sulphide zone, and, since recent increases in metal prices and improvement in ore treating facilities in the immediate area, the property of Headway Red Lake Gold Mines Limited should be further tested by a programme of diamond drilling to further correlate ore sections and establish the structure both along strike and to depth.

It is therefore recommended that a programme of 4000 feet diamond drilling be planned to further develop the base metal sulphide body as follows:

#### PHASE I

- (i) Drill holes between the earlier holes to establish continuity of the sulphide zones along strike and to carefully explore the two areas where folds occur along strike.
- (ii) Drill holes along strike to establish the full length of the present sulphide zone which is still open to the north and south.
- (iii) Upon completion of the (i) and (ii) above drill holes below the best sections obtained in the fill-in drilling to determine the depth of the base metal sulphide zone. This should be done to at least a vertical depth of 500 feet.

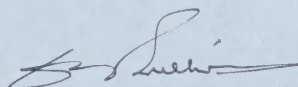
Estimated cost of 4000 feet of drilling is \$ 25,000.00.

#### PHASE II

Should the work planned in Phase I be successful then a detailed study should be made of the whole property and a more comprehensive programme of exploration be initiated.

Respectfully submitted,

SCOPE MINING & EXPLORATION  
CONSULTANTS LIMITED



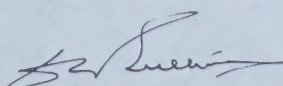
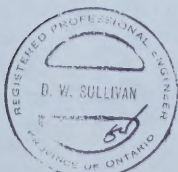
Dated at TORONTO, Ontario      D. W. Sullivan, B.Sc., P.Eng.  
MAY 28th, 1965.

#### C E R T I F I C A T E

I, D. W. SULLIVAN, of the Town of Oakville, in the County of Halton, Province of Ontario hereby certify:

1. That I am a Mining Engineer and reside at 282 Burgundy Drive, Oakville, Ontario.
2. That I am a graduate of Queen's University with a B.Sc. degree and that I have been practising my profession as a mining engineer for the past eighteen years.
3. That I have no direct or indirect interest in any shares or claims of Headway Red Lake Gold Mines Limited, nor do I expect to receive any direct or indirect interest in the property or shares of the aforementioned company.
4. The accompanying report is based on a study of government and other reports on the property. A specific examination of the property was not made by the writer.
5. That I am member of the Association of Professional Engineers of the Province of Ontario.

DATED this TWENTY-EIGHTH day of  
MAY, 1965.



D. W. Sullivan, B.Sc., P.Eng.



14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	NIL		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Coulee Lead & Zinc Mines Limited, 55 Yonge Street, Toronto 1, Ontario. 488,466  Thomson Kernaghan Co. Ltd. * 365 Bay Street, Toronto, Ontario. 348,575  Thomson & McKinnon, * 55 Yonge Street, Toronto, Ontario. 254,000  Thomson Kernaghan & Co. Ltd. * 365 Bay Street, Toronto, Ontario. 161,000  Rejol Investments Limited, 25 Adelaide Street West, Toronto, Ontario.. 129,000  (* street names)		
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Coulee Lead and Zinc Mines Limited, Suite 902, 55 Yonge Street, Toronto, by reason of its shareholdings as aforesaid, can materially affect control of the Company. Emmett P. McDonough and Gerald S. Horgan, the President and Vice-President and Secretary respectively of the Company, are also the President and Secretary of Coulee Lead and Zinc Mines Limited.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Name	No. of Shs.	Cost
	Headvue Mines limited	923,666	\$ 54,209.22
	Hewbet Mines Limited	6,750	675.00
	Delmico Mines Limited	55,000	7,387.50
	Treasure State Uranium Mines Ltd.	35,000	3,381.44
	The Tipperary Metal Mines Limited	500	3,000.00
	Alamac Mines Limited	5,000	50.00
	Columbium Mining Products Limited	1,142,921	50,898.06
			<u>\$119,601.22</u>
	(Market Value - NIL)		
18. Brief statement of any lawsuits pending or in process against company or its properties.	NIL		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	NIL		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts other than those disclosed herein. The Company will be in the course of primary distribution of shares to the public if the filing statement is accepted for filing.		

# CERTIFICATE OF THE COMPANY

DATED MAY 31, 1965

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"E. P. McDonough"

HEADWAY RED LAKE GOLD MINES LIMITED,  
Per: E. P. McDonough Pres. SEAL

"G. S. Horgan"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

"F. C. Woolley"

THOMSON KERNAGHAN & CO. LIMITED,  
Per: F. C. Woolley